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JOINT RESOURCE ALLOCATION

General

As discussed below, the joint program manager (PM) is involved in the four phases of the Resource Allocation Process (RAP):

- Planning, Programming, and Budgeting System (PPBS) (Phase I);
- Enactment (Phase II);
- Apportionment (Phase III); and
- Execution (Phase IV).

These phases are calendar-driven and independent from the event-driven acquisition process. The joint PM must take care to not confuse the phases of the RAP with those of system development.

Phase I - Planning, Programming, and Budgeting System (PPBS)

Resources for joint programs are provided through the Department of Defense (DoD) PPBS. From the standpoint of the joint PM, the component Program Objective Memorandums (POMs) and budgets are usually the source of programmatic funding. The Office of the Secretary of Defense (OSD) and the Commanders-in-Chief (CINCs) of the Unified Commands can provide support for joint issues, including specific programs, during the PPBS cycle.

The Deputy Secretary of Defense (DEPSECDEF) manages the PPBS with the advice and assistance of the Defense Resource Board (DRB), which he chairs. The advocacy for joint programs in the PPBS process often comes from Congress, OSD, the Joint Chiefs of Staff (JCS), and the Unified Commands. The joint PM should be aware of the operational concept for employing the system when fielded in order to understand the related planning and programming processes that occur within the components, JCS, and OSD. For example, U.S. Southern Command counters Latin American security issues with a peacetime engagement strategy that uses command, control, communications, and intelligence (C³I) systems to help host governments cope with insurgents, narcotics traffickers, and other threats. During the PPBS process, the Unified Command CINCs can advocate system and other needs through Integrated Priority List (IPL) submissions from the CINCs to the DRB through the JCS.

View of Former Joint PM:

- *Must understand the PPBS process and associated “drills.” The PM must learn not to panic. The PMs need to have most documentation available to give honest, if tentative answers.*

Phase II - Enactment

Congressional review of the DoD portion of the President’s budget is undertaken by authorizing committees and appropriating committees before budget bills are introduced into law. Congressional authorization specifies the substance of a program, including authorizations for major weapons programs. The Senate Armed Services Committee (SASC) and the House National Security Committee (HNSC) are the major DoD authorizing committees. A review of their subcommittees suggests some areas of interest. The SASC has subcommittees on Acquisition and Technology, Airland Forces,

Personnel, Readiness, Seapower, and Strategic Forces. The HNSC has subcommittees on Military Installations and Facilities, Military Personnel, Military Procurement, Military Readiness, and Military R&D. The HNSC has established special oversight panels on Morale, Welfare, and Recreation, and the Merchant Marine. The joint PM may have dealings with the staffs of these committees and, more formally, through OSD or component congressional liaison. It is important that the program description provided to Congress be consistent with authorization bill language. Moreover, the joint PM should be aware of report language affecting the project, since failure to note the language may result in funding or statutory penalties.

The House and Senate Appropriations Committees (HAC/SAC) and their Defense Subcommittees on Defense and Military Construction start formal reviews of the proposed presidential budget in February. Appropriations committees apply funding across all federal programs, e.g., education, defense, entitlements. Accordingly, competing demands such as infrastructure needs often result in defense decrements. The appropriations committees reconcile authorizations with budget funds. The House and Senate vote on both authorization and appropriation bills after conference committee meetings. The OSD Comptroller issues guidance when the authorization and appropriation bills are inconsistent (as they can be). If enactment of the appropriations bill is delayed beyond the start of the fiscal year, a “continuing resolution” (CR) is passed to authorize obligations that do not exceed the lesser rate of prior year obligations or what is reflected in prior action of Congress. The OSD and the components also provide guidance during CRs. These CRs usually allow federal agencies to operate for a fixed period at a reduced spending rate while Congress finishes work on each agency’s actual budget for the coming year.

Views of Former Joint PMs:

- *The biggest problem associated with congressional and component staffs is perceptions.*
- *Briefings on the “Hill” to congressional staffers are important to aid communication and exchange of important program status data.*

Phase III - Apportionment

The Office of Management and Budget (OMB) allocates funding to OSD. In turn, these funds are reallocated to the components and other DoD organizations. Apportionment allows the President, through OMB, DoD, and the components, to control funding execution rates. Joint PMs are affected by the monitoring that accompanies this process. The Components monitor the rates at which funds are committed (assigned to a project); obligated (placed on contract); and expended or disbursed (paid to a vendor). The OSD uses the information collected and analyzed by the components to exercise its financial control. Control by OSD includes taking money back when expenditure or obligation rates are too low or assigning to the components, and other organizations, recoupment objectives, and plans for saving current or prior year funding. The joint PM needs to be cognizant of the cycles within each of the components from which to obtain funding. As an example, one major joint program lost several million dollars because the other participating component's deadline for pulling unobligated money back occurred much earlier than the lead component's deadline.

Views of Former Joint PMs:

- *The PM must understand the PPBS process and have a working knowledge of each military service's [component's] budget process. Each military service*

[component] must have money to support the program; this precludes any problems encountered in the system development phase.

- *Budget shortfalls need to be addressed for each military service's [component's] budget submission window and discussed with the program management team or working group.*

Phase IV - Execution

The execution phase occurs when appropriated funds are spent on defense programs. The obligation and expenditure terms discussed above apply to the execution phase, since the program expenditures provide the raw data that DoD uses for apportionment management. The DoD fiscal structure is an annual process tied to Congress. The Defense Acquisition Board (DAB) process is a DoD management control system that can be overruled by the budget. The DAB can clear a program to advance to the next milestone, but DAB guidance is legally and practically contingent on funding.

The inherent tension in the process for joint PMs is that the PPBS is a calendar-based process, while joint program funding needs are related to acquisition milestones, engineering, and production schedules. A sensitivity to the component personnel who monitor the budget aspects of joint programs is crucial to finding ways to adjust the DoD resource management system to individual programs. For example, the components have been delegated \$10 million for operations and maintenance (O&M) and procurement, and \$4 million for research, development, test, and evaluation (RDT&E) reprogramming authority from OSD and by Congress through past practice. This delegation is called below-threshold reprogramming. Larger funding amounts can be reprogrammed (redirected) to higher priority projects with congressional approval. The PPBS and execution are also related, in that the PM must work

with budget staffs to provide necessary funding continuity for projects. Contract and budget staffs can help the joint PM plan for needed fiscal continuity. Execution is closely related to the PPBS calendar cycle, but driven by technical events.

Using other defense components to contract and manage key program activities can adversely affect program execution if they fail to spend the program funds as planned. Consequently, the joint PM must work closely with program control personnel to monitor execution of funds.

Views of Former Joint PMs:

- *Understanding the “color” of money is a necessity. The PM needs to understand where, when, and how the money comes. Knowing the (color) differences of RDT&E, procurement, and O&M dollars is an absolute .*
- *Gaps may exist from program start to entry into production. Therefore, a PM must have periodic reviews of the program to ensure focus, intent, and purpose remain at the forefront.*